



U.S. Department of Housing and Urban Development

# Planning and Implementing Buyouts: Pre- and Post- Disaster

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2021 CDBG-DR & CDBG-MIT Virtual Training Series



# 2021 CDBG-DR & CDBG-MIT Virtual Training Series- Grantee Led Sessions Kick Off

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# Introduction

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# Planning and Implementing Buyouts after Superstorm Sandy



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# NY Rising Buyout and Acquisition Programs

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The State's voluntary **Buyout and Acquisition Programs** were established to purchase the properties of interested homeowners and address areas that regularly place homes, residents and emergency responders at-risk

- More than \$480 million expended to purchase 1,277 properties through NY Rising Buyout and NY Rising Acquisition Programs
  - The programs mainly operate in select neighborhoods of Staten Island and Long Island
- The Buyout Program alone has purchased over 700 properties for more than \$271 million



# NY Rising Buyout Program Requirements

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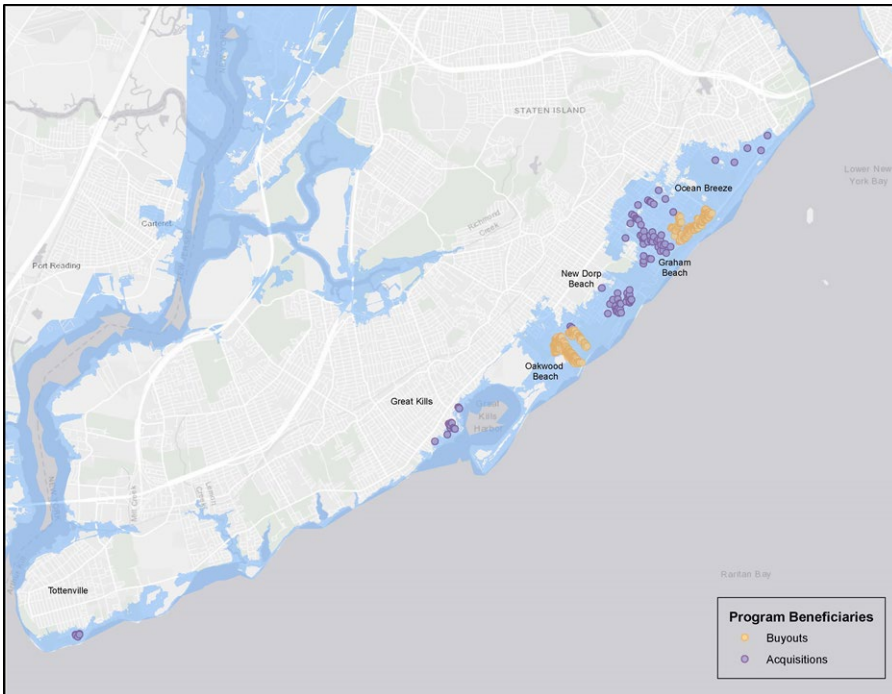
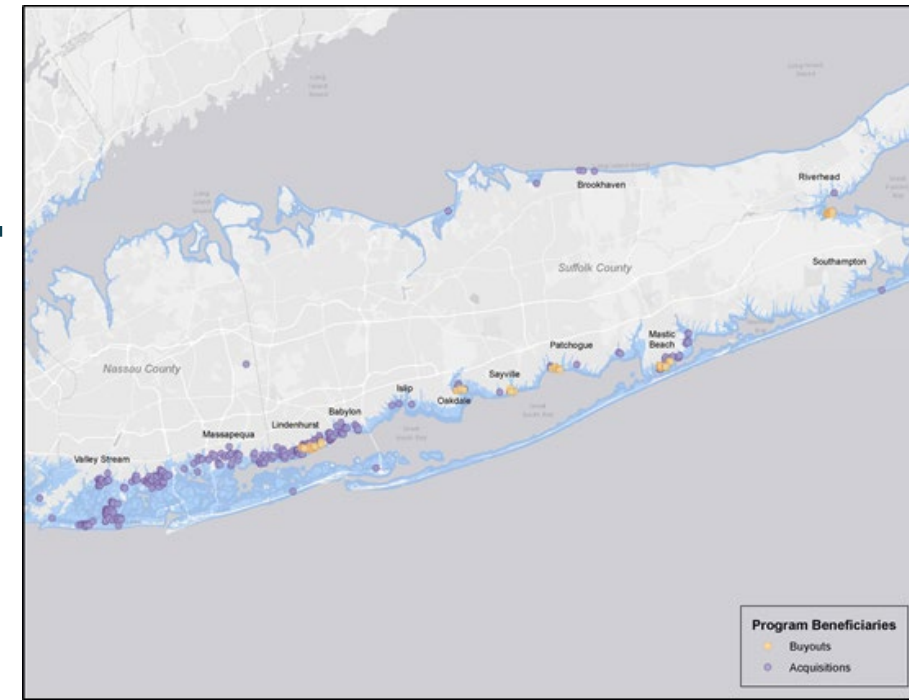
- Voluntary program
- Purchase of storm-damaged properties within Enhanced Buyout Areas or in the floodway as well as vacant or undeveloped land in these targeted areas
- Offers start at 100% of the property's pre-storm Fair Market Value (less DOB) plus available incentives up to 15%
  - Applicants who purchased the property after the storm are eligible for the Buyout award without any added incentives; or the price at which the applicant purchase the property
- GOSR demolishes the structure, grades and seeds the land with native plant species, and then land is dispositioned
  - A restrictive covenant is recorded to prohibit any future development
  - GOSR maintains the property until disposition is complete



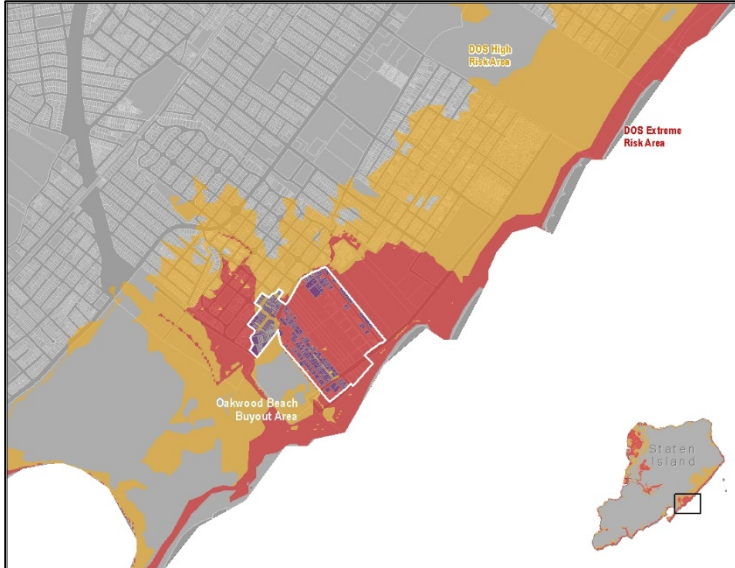
# Determination of Buyout Areas

Developed based on the following criteria:

- NYSDOS Risk Assessment
- History of flooding and/or damage by extreme weather events
- Local officials understanding the benefits of permanently removing residents and creating a coastal buffer
- Multiple homeowners voiced interest



# Oakwood Beach, Staten Island



NYSDOS Risk Areas



Sandy Storm Surge



Shoreline Green Space

- Initially developed as a vacation community in the 1920s
- Community experienced severe flooding events and fires associated with overgrown invasive species
- GOSR purchased and demolished over 300 contiguous parcels (25.5. acres of land)





# Disposition Strategies

## 1. Graham Beach & Ocean Breeze:

Plan to transfer title to up to 104 neighbors through Lot Next Door program.

**2. Oakwood Beach:** Transferred title of Buyout properties to the Oakwood Veteran's Association. Actively seeking a land owner and steward. Land uses being considered: USACE/NYS DEC/NYS Sea Wall Project will need easements of title of properties along the eastern and southern portions.

**3. Village of Lindenhurst:** Buyout properties have been transferred to the Village to be used to enlarge a municipal park and increase waterfront public access. Properties will be sold to neighbors through the Lot Next Door program.

**4. Town of Babylon:** Transferred title of Buyout properties to the Town. Properties have been sold to neighbors through the Lot Next Door program.

**5. Town of Islip:** Transferred title of 9 Buyout properties to the Friends of the Pickman-Remmer Wetlands, a local conservation organization. Properties have been sold to neighbors through the Lot Next Door program.

**6. Village of Patchogue:** All 10 Buyout properties have been transferred to the Village.

**7. Town of Brookhaven:** Transferred title of 43 Buyout properties to the Town to be incorporated in the Mastic-Shirley Conservation Project — a wetland restoration project managed by The Nature Conservancy.

**8. Town of South Hampton:** Transferred title of 16 Buyout properties to the Town to be used for storm water drainage and waterfront access. Transferred title of 10 Buyout properties to the Flanders, Riverside, and Northampton Civic Association which will be sold to adjacent neighbors as yard extensions.



# Buyout Benefits and Challenges

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## Benefits

- Residents relocated out of harms way
- Option for homeowners where rebuilding is not possible
- Minimizes repetitive losses and associated costs
- Restores natural space and protects surrounding community

## Challenges

- Incentivizing participation
- Ownership and title issues
- Appraisals
- Tenants and URA
- Non-award related costs including long-term O&M, demolition, insurance, taxes, and compliance monitoring
- Tax base implications



# Things to Consider

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- Communication strategy and timing
- Keep applications open longer to get as much participation as possible
- How will other programs interact with your buyout program
  - Repairs or optional relocation assistance
  - FEMA HMGP
  - Affordable housing developments
  - Workforce development
- National objective considerations
- Where do people move?



# Highlights

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A multi-pronged approach is key. Communication and involvement of stakeholders is necessary for success.

Buyouts have many benefits but can be costly

Planning for buyouts needs to include:

- Methods to identify buyout areas
- Identification of resilient affordable housing opportunities
- Discussions with organizations/agencies about dispositions strategies



# Q & A



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# Resources



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# Resources

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- **HUD Exchange CDBG-DR page:**
  - <https://www.hudexchange.info/programs/cdbg-dr/>
- **HUD Exchange CDBG-MIT page:**
  - <https://www.hudexchange.info/programs/cdbg-mit/>
- **New York State Governor's Office of Storm Recovery site:**
  - <https://stormrecovery.ny.gov/>



THANK  
YOU

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